

METHOD AND SYSTEM FOR FACILITATING FINANCIAL TRANSACTIONS BETWEEN CONSUMERS OVER THE INTERNET

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ABSTRACT OF THE DISCLOSURE

A method for enabling two individual consumers to complete a transaction that includes payment from one consumer (the payor, or buyer) to
10 another consumer (the payee, or seller). A transaction facilitator such as a Web auction site may refer the transaction to a remote payment enabler computer for payment processing through the consumer-to-consumer payment service. An intermediary typically operates the service over a computer network of nodes, such as the Internet. The buyer has the convenience of paying through a
15 variety of different payment instruments. Likewise, the seller has the convenience of receiving payment through a variety of different disbursement instruments. For a fee, the intermediary collects the payment from the buyer and pays the seller. Although the intermediary may receive payment from the buyer before the intermediary transfers the payment to the seller, the
20 intermediary may choose to pay the seller before receiving payment from the buyer. In this case, the intermediary assumes the risk of nonpayment by the buyer. Alternatively, the intermediary may pay a third party that specializes in processing transactions for the payment instrument chosen by the buyer to assume the risk of nonpayment by the buyer. In this case, the intermediary
25 receives a promise of payment from the third party before the intermediary pays the seller. Such a promise of payment from the third party is referred to as an authorization. Optionally, the intermediary may hold the payment in escrow until the seller has delivered acceptable goods to the buyer.